## Message Text

## CONFIDENTIAL

PAGE 01 CAIRO 18299 01 OF 02 031517Z ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 SSM-03 IO-13 ACDA-12 SAA-01 SES-02 /095 W -------075116 031656Z /50

R 031357Z AUG 78 FM AMEMBASSY CAIRO TO SECSTATE WASHDC 2262 INFO AMCONSUL ALEXANDRIA USMISSION SINAI

CONFIDENTIAL SECTION 01 OF 02 CAIRO 18299

E.O. 11652: GDS TAGS: :GOV PINT EG

SUBJECT: SADAT'S POLITICAL ORGANIZATION: MUCH

- UNCERTAINTY, SOME DESPAIR REF: (C) CAIRO 17535 (B) CAIRO 17917

1. SUMMARY. LACK OF CLEAR SIGNALS FROM SADAT ON IN-TERNAL POLITICAL COURSE IS GENERATING SOME UNCERTAINTY AND MALAISE AMONG CABINET, CENTER PARTY, AND PRESS. PRESIDENT TAKING FEW INTO HIS CONFIDENCE AND MANY OF HIS CLOSE ASSOCIATES ARE WORRIED ABOUT THEIR PERSONAL FUTURES. MOOD OF SALEM AND OTHER MINISTERS SUGGESTS MANY EXPECT TO GO. SHOULD SADAT BECOME HIS OWN PRIME MINISTER, EFFECTIVENESS OF GOVERNMENT WILL BE DETERMINED BY QUALITY OF DEPUTY PM'S AND PRESIDENT'S WILLINGNESS TO DELEGATE AUTHORITY. UNTIL PRESIDENT SPEAKS DEFINITIVELY ON HIS PLANS SITUATION LIKELY CONTINUE DRIFT. FEW ARE WILLING GET OUT FRONT UNTIL THEY KNOW WHERE SADAT IS GOING. SADAT'S AVOWED PURPOSE IN LAUNCHING REFORM WAS TO "EN-TRENCH" DEMOCRACY IN EGYPT. THERE ARE NOW SUGGESTIONS THAT HE WILL USE REFORM AS VEHICLE FOR CREATING NATIONAL FRONT, BEFORE TAKING NEW INITIATIVE VIS-A-VIS ISRAEL. END SUMMARY. CONFIDENTIAL.

CONFIDENTIAL

PAGE 02 CAIRO 18299 01 OF 02 031517Z

2. UNCERTAINTY. ALMOST TWO WEEKS AFTER ANNOUNCING HIS INTENTION TO CREATE A NEW POLITICAL PARTY FOLLOWING THE RAMADAN RECESS, SADAT HAS YET TO EXPLAIN WHAT HE INTENDS TO ACCOMPLISH BY SUCH A MOVE. ONLY THING CLEAR TO DATE IS THAT THE PRESIDENT WILL HEAD THE PARTY, WHICH MEANS IT IS CERTAIN TO ENJOY A LARGE MAJORITY WITHIN PARLIAMENT.

WHAT PARTY WILL STAND FOR AND WHO WILL BE ITS MEMBERS ARE STILL UNKNOWN.

- 3. MALAISE. THIS UNCERTAINTY HAS CREATED UNEASE AND RESULTANT MALAISE WITHIN THE CABINET. MORE THAN EVER THE PRESENT CABINET SEES ITSELF AS INTERIM IN NATURE. THIS HAS HAD ADVERSE EFFECT ON INDIVIDUAL MINISTERIAL DECISION-MAKING. MANY POLITICAL WHEEL HORSES FEEL THAT SADAT HAS ILL REOUITED LONG TERM LOYALTY. PM SALEM. IN PARTICULAR, IS KNOWN TO BE PERSONALLY UPSET AND TO VIEW SADAT'S PROPOSED ACTION AS A LUR ON HIS COMPETENCE. MANY INTERPRET SADAT'S JULY 22 ANNOUNCEMENT TO MEAN THAT SALEM IS ON THE WAY OUT. (IT HAS BEEN SUGGESTED THAT HE MAY BE NAMED PEOPLES ASSEMBLY SPEAKER AND THAT SAYED MAREI WILL RETIRE.) ON THE SEVERAL OCCASIONS THAT THE AMBASSADOR OR OTHER EMBOFFS HAVE SEEN HIM IN THE PAST FEW WEEKS, SALEM HAS LOOKED UNCHARACTERISTICALLY GLUM AND HAS HAD LITTLE TO SAY. ONE OF PM'S ADVISERS CON-FIDES THAT SALEM IS NOW TAKING MINIMAL INTEREST IN GOVERNMENT AFFAIRS. WHICH IS HARDLY CONDUCIVE TO GRAPPLING WITH EGYPT'S MULTITUDINOUS PROBLEMS.
- 4. CENTER PARTY. CENTER PARTY STALWARTS (ARAB SOCIALIST PARTY OF EGYPT) ARE ALSO UPSET OVER WHAT THEY FEAR MAY BE UPCOMING ABANDONMENT OR AT LEAST DOWNGRADING IN NEW PARTY STRUCTURE. IMMEDIATELY AFTER SADAT'S JULY 22 CONFIDENTIAL

CONFIDENTIAL

PAGE 03 CAIRO 18299 01 OF 02 031517Z

SPEECH, SEVERAL (INCLUDING ASP SYG FUAD MOHIE EL DIN AND MINISTER OF LOCAL GOVERNMENT MOHAMED HAMED MAHMOUD) OFFERED TO ORGANIZE SADAT'S NEW GROUPING; TO THEIR SURPRISE, HOWEVER, THEY WERE INITIALLY REBUFFED. OBVIOUS IMPLICATION WAS THAT NOT EVERYONE FROM ASP WILL BE ABSORBED INTO SADAT'S PARTY. VP MUBARAK AND PRESIDENTIAL CONFIDANTE HASSAN TOHAMI ARE BEING USED TO CONVEY THE NEWS TO UNWANTED ASP HACKS. TO THE CHAGRIN OF CENTER PARTY LOYALISTS, FIKRI MAKRAM EBEID, A PRESIDENTIALLY APPROVED COPTIC, INDEPENDENT MEMBER OF PEOPLES ASSEMBLY, HAS BEEN CHOSEN BY SADAT TO DO THE ORGANIZATIONAL SPADEWORK FOR THE NEW PARTY.

5. PRESS. SOME CONFUSION IS APPARENT IN NATIONAL PRESS AS WELL. THREE DAILIES ARE WHOLLY OWNED BY ASU, WHICH WILL BE PHASED OUT. HOW PAPERS WILL BE MANAGED UNDER NEW SYSTEM UNCLEAR. PRESS LAW, WHICH PRESUMABLY WILL ADDRESS THIS SUBJECT, HAS NOT YET BEEN INTRODUCED IN ASSEMBLY. SO FAR AS WE AWARE, IT HAS YET TO BE DRAFTED. ONE SADAT CONFIDANTE HAS SUGGESTED PAPERS WILL BE SOLD TO EMPLOYEES, WITH STRICT LIMIT ON PERCENTAGE ANY SINGLE INDIVIDUAL MAY OWN. SALE COULD POSE PROBLEM: ALL

DAILIES OPERATE AT LOSS, AND ONLY WITH HEAVY GOVERNMENT SUBSIDIES.

6. INTENTIONS. WHEN SADAT MADE JULY 22 ANNOUNCEMENT HIS APPARENT INTENTION WAS TO ANSWER CRITICS AT HOME AND ABROAD WHO HAD CHARGED HIM WITH RETREAT FROM LIBERALIZATION. SADAT'S REMARKS TO VP MONDALE AND TO THE AMBASSADOR INDICATED THAT SADAT RECOGNIZED THE NEED TO CONVINCE PUBLIC OPINION IN THE UNITED STATES AND WESTERN EUROPE. AS WELL AS IN EGYPT ITSELF, OF HIS CONTINUED COMMITMENT TO DEMOCRATIC PRINCIPLE. TO HIS SEVERAL

CONFIDENTIAL

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CONFIDENTIAL

PAGE 01 CAIRO 18299 02 OF 02 031519Z ACTION NEA-10

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CONFIDENTIAL SECTION 2 OF 2 CAIRO 18299

AUDIENCES, SADAT'S SPEECH WAS INTENDED TO PROVIDE RE ASSURANCE THAT EGYPT WILL CONTINUE ON THE PATH TO MULTI-PARTY DEMOCRACY.

7. RESPONSIBLE OPPOSITION. ANOTHER OF SADAT'T PRINCIPLE OBJECTIVES HAS BEEN TO CREATE A RESPONSIBLE OPPOSITION, WHATEVER THAT MAY MEAN IN EGYPTIAN TERMS. IT IS THIS WHICH PROMPTED HIS CALL FOR THE PREPARATION OF A NATIONAL "CODE OF ETHICS". FOR THE MOMENT, HOWEVER, BECAUSE OF THIS WIDE-RANGING VIEWS AND DISAGREEMENTS AS TO WHAT THIS SHOULD BE, THE CONCEPT HAS BEEN DEFERRED FOR FURTHER STUDY. STRUCTURING OF SADAT'S PROPOSED MULTIPARTY SYSTEM RAISES QUESTIONS AS TO WHETHER A RE SPONSIBLE OPPOSITION WILL IN FACT BE REAL OR SHAM. FEW EGYPTIAN POLITICIANS ARE WILL BE CONSIDERED AS ACTIVELY OPPOSING THEIR PRESIDENT. ON THE RIGHT, MUSTAPHA MURAD, WHO HEADS THE "SOCIAL LIBERAL (RIGHT)" PARTY, HAS EXPRESSED HIS DESIRE TO JOIN SADAT'S NEW PARTY, BUT THE

PRESIDENT IS SEEKING TO PERSUADE HIM TO CONTINUE HIS ROLE AS RIGHT-WING OPPOSITION PARTY LEADER. SADAT IS ALSO ENCOURAGING MINISTER OF LAND REFORM IBRAHIM SHOUKRI TO REESTABLISH THE OLD SOCIALIST LABOR PARTY, THE SUCCESSOR OF THE OLD MISR AL-FATAT, OF WHICH SADAT RECALLS BOTH CONFIDENTIAL.

## CONFIDENTIAL

PAGE 02 CAIRO 18299 02 OF 02 031519Z

HE AND NASSER WERE ONE-TIME MEMBERS. ON THE LEFT, SADAT WANTS TO PURGE SOVIET-ORIENTED MARXISTS, BUT HAVE WHAT HE CALLS "AN EGYPTIAN LEFT". HE HAS HAD ABDAL RAHMAN AL SHARKAWI, WHO COMBINES MARXIST AND EGYPTIAN NATIONALIST CREDENTIALS, IN MIND, BUT WE HAVE HEARD UNCONFIRMED REPORTS THAT SHARKAWI HAS REFUSED THE POSITION. SADAT ALSO BELIEVES THAT A NUMBER OF PRESENT INDEPENDENTS IN THE PEOPLES ASSEMBLY MAY SET UP A PARTY OF THEIR OWN AND PRESS HAS RECENTLY REPORTED THE PROPOSED FORMATION OF A "NATIONAL FRONT" HEADED BY TWO INDEPENDENT MP'S MONTAZ NASSAR AND MOHAMED AL-QADI.

- 8. PUBLIC SPECULATION. THERE HAS BEEN SOME RECENT SPECULATION THAT SADAT'S INTENTIONS MAY HAVE CHANGED WITHIN THE PAST TEN DAYS IN RESPONSE TO PERCEIVED ISRAELI INTRANSIGENCE. PROPONENTS OF THIS THEORY POSTULATE THAT SADAT IS NOW CONSIDERING THE UTILITY OF USING REFORM AS A VEHICLE FOR CREATING A BROADER FRONT PRIOR TO MAKING ANOTHER DRAMATIC MOVE LATER THIS FALL. LEADING LEFTISTS CHARGE THAT THE PRESIDENT WISHES TO SHORE UP THE INTERNAL FRONT IN ORDER TO CONCLUDE A SEPARATE PEACE WITH ISRAEL. OTHER OBSERVERS, INCLUDING AT LEAST ONE CABINET MEMBER (MINISTER OF TRANSPORT NAIM ABU TALEB), SHARE THE VIEW THAT SADAT WISHES TO DEVELOP A BROADER NATIONAL FRONT, BUT WITH THE IMPORTANT DIF-FERENCE THAT THEY EXPECT SADAT TO TAKE SOME RISKY OFFENSIVE ACTION, SUCH AS REFUSING TO RENEW UNEF MAN-DATE OR DECLARING HIS INITIATIVE A FAILURE AND SEEKING REFUGE IN ARAB UNITY. BUT NO ONE EXCEPT SADAT REALLY KNOWS HIS PURPOSE AND HE FOR THE MOMENT IS REMAINING MUM.
- 9. SADAT AS PM? WIDESPREAD PREDICTION IS THAT SADAT WILL AGAIN ASSUME PM PORTFOLIO. AS OFFICIAL LEADER OF CONFIDENTIAL

CONFIDENTIAL

PAGE 03 CAIRO 18299 02 OF 02 031519Z

MAJORITY PARTY, HE WOULD BE EXPECTED TO BECOME PRIME MINISTER, BUT SADAT HAS THUS FAR SAID NOTHING DEFINITIVE ON THE SUBJECT. POLITICAL OBSERVERS AND PUBLIC APPEAR TO EXPECT THAT THE CABINET WILL THIS TIME BE

THOROUGHLY RESHUFFLED AND THAT THIS WILL HAPPEN AFTER RAMADAN. QUALITY OF ANY SUCH GOVERNMENT WILL BE DETERMINED LARGELY BY STRENGTH OF INDIVIDUAL MINISTERS AND DEGREE TO WHICH THE PRESIDENT--IF HE ASSUMES PREMIER-SHIP--WILL BE WILLING TO DELEGATE AUTHORITY TO DEPUTY PRIME MINISTERS. GIVEN SADAT'S LACK OF INTEREST IN DETAIL, MUCH OF THE DAY-TO-DAY PLANNING AND OPERATIONAL WORK WILL HAVE TO BE DONE BY THE DEPUTY PRIME MINISTERS.

10. CONCLUSION. AT THE MOMENT SADAT IS SENDING CONFLICTING SIGNALS AND FEW PRETEND TO KNOW WHAT HE HAS ON HIS MIND. MALAISE IN GOVERNMENT AND PARTY IS OBVIOUS AS LEADERSHIP IS DISPIRITED AND RANK AND FILE LACK DIRECTION. FIKRI MAKRAM EBEID CLAIMS SADAT WILL CLARIFY HIS INTENTIONS BEFORE THE END OF THE WEEK. IF SO, EGYPTIAN POLITICIANS AND PUBLIC WILL HEAVE A LARGE SIGH OF RELIEF. AT THE MOMENT MOST ARE RELUCTANT TO GET OUT FRONT UNTIL THEY KNOW WHICH WAY SADAT IS GOING. EILTS

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